
Business Participation in Welfare-to-Work: Lessons from the United States

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Welfare-to-Work: Lessons from America
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Case Studies

American Airlines
EDS
Federal Express
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American Airlines (AA)

Business Area

One of the world's largest air-passenger carriers, with 80,000 employees

Benefits of Welfare-to-Work Involvement

Corporate citizenship motivated American Airlines, a member of the government-initiated Welfare to Work Partnership, to begin its welfare-to-work efforts. The airline also saw an opportunity to broaden its pool of applicants for entry-level jobs. The program has helped AA hire quality employees, while reducing hiring time and probably hiring costs as well. These benefits drive AA's welfare-to-work efforts.

Highlights of Welfare-to-Work Involvement

Since late 1996, American Airlines and affiliated companies have hired 1,200 welfare recipients. AA hires welfare recipients mainly for part-time jobs in its airport operations, with starting pay of about \$7.50 to \$8.50 per hour, and full-time jobs in its reservation operation, with starting pay of \$7 per hour.

Rather than create in-house programs, AA partners with community-based non-profit organizations to ready welfare recipients for employment. AA does not see preparing welfare recipients for employment as one of its core competencies.

Corporate and local staff roles. Corporate-level staff have developed a model for welfare-to-work activities and provide guidance to local operations that simplifies implementation. Corporate staff also identify quality partner organizations and build networks with those organizations to make it easier for local staff to access their services. Local staff build and sustain partnerships, recruit through them, and determine whether the partnerships are working well.

AA applies the same hiring standards to welfare recipients as it does to other applicants for entry-level jobs, and AA integrates its efforts to hire welfare recipients with the rest of local

recruiting responsibilities. Therefore, corporate staff do not monitor local welfare-to-work efforts, although AA does periodically gather information on the number of welfare recipients hired.

Relationships with partners. American Airlines partners with organizations that have a reputation for quality services in readying welfare recipients for work. AA sets program quality standards and provides feedback about its satisfaction with outcomes. Local AA staff work closely with partners to assure that they understand AA's hiring standards, such as timeliness, communication skills, and attitude and behavior on the job. AA staff provide information about job openings and needed skills, participate in developing criteria for successful program completion (e.g., attendance, timeliness, attitude, and dress), give input on program design, participate in program activities such as presentation and interview skills development, and provide workplace tours and short-term job shadowing.

Local role, and support of retention and advancement. Supervisors are responsible for retention of employees. The airline has not developed specific retention services for welfare recipients, either in-house or through partner organizations. Instead, because AA recruits many entry-level employees from non-traditional backgrounds, it has sought to offer support for supervisors and coaching for all entry-level employees. The airline has also contracted with Ceridian, a for-profit employee assistance firm, to provide a resource-and-referral service for all employees. The service provides high-quality support in dealing with a wide range of work/life issues. It is designed to meet the needs of entry-level employees in particular, and it provides Spanish bilingual/bicultural services.

Because AA's airport agent and reservation jobs are complex, the airline provides entry-level employees with four to six weeks of orientation and training in technical and customer service skills. In addition, a less-intensive

American Airlines (AA)

Highlights of Welfare-to-Work Involvement *continued*

supervisor-employee relationship for new reservations employees makes it possible for supervisors to listen in on calls, coach, and role model. In some locations, AA is testing the idea of having skilled co-workers provide role modeling and mentoring to new employees.

Future Trends

American Airlines involvement in welfare-to-work is dependent upon hiring needs and tight entry-level labor markets. The company expects to maintain or expand its involvement in welfare-to-work during the coming year.

Challenges and Promising Activities

Because lack of transportation limits the employee pool, it is a major challenge for employers with operations at airports. In Dallas/Fort Worth, AA is organizing a coalition of employers to address this challenge. However, the cost of increasing the availability of transportation is a serious constraint for airport-based firms.

Other than this effort, AA has rarely participated in intermediary organizations such as a Regional Employment Board or Workforce Development Council. However, the airline has received information from intermediaries on the quality of potential partners' services, thereby making it easier for AA to select its partners.

Having observed that AA employees often need assistance with non-work needs, the airline has contracted with Ceridian to provide a resource-and-referral service similar to the Associates Resource Line Ceridian developed for Marriott International. (See Marriott case study.) The service provides many of the benefits of good case management.

However, AA notes that the organizations with which it partners, other than Ceridian, tend to provide discrete services, rather than meet an employee's overall needs. AA suggests that if these providers of specialized services formed a

network, they could better integrate their efforts to meet all of an employee's needs.

Key Lessons

- ***AA's experience with service providers has been surprising.*** "The extent to which service provider organizations have been cut off from companies in the past has really been eye-opening," says Mary Ann Lynch, AA's Managing Director for HR Policy and Employee Services. "They've been thrilled that AA reaches out to them." Lynch notes that new measures of success for agencies receiving public funding, such as the quality of jobs program participants secure and the extent to which they retain jobs, are strong incentives for service providers to work with employers.
- ***A portable credential is useful to employees, AA, and industry-wide.*** AA's Travel Academy training credentials participants for good jobs. AA has licensed the program to job-training programs and to secondary schools for use in school-to-career programs. By doing so, AA expands the pool of candidates for its jobs and provides benefits for other travel services firms, including small and mid-size employers.

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EDS

Business Area

A professional services firm that provides computer systems and technology services, business process management, managing consulting, and electronic business; 110,000 employees, including 75,000 in the United States and over 9,000 in the U.K.

Benefits of Welfare-to-Work Involvement

EDS' goal for its welfare-to-work program is to increase shareholder value by combating the critical shortage of information technology labor, reducing hiring and training costs, and extending the firm's corporate citizenship, according to Laura Gragg, program manager for EDS' Government Partnership Plan. She says that the firm's welfare-to-work efforts, which have strong screening and training components, have provided a source for technically skilled employees. According to internal evaluations, welfare recipients who participate in EDS-sponsored training programs and are then hired by the company are more settled in their work environment than other new, entry-level employees. They are also more committed to their work, quicker to grasp new concepts, and more motivated to try new things.

Data from the EDS-sponsored Advanced Technology Program (ATP) show that the program achieves substantial savings for the firm. Almost three-quarters of the savings reflect the difference between entry-level and average compensation, with the balance resulting about equally from lower recruiting and training costs and from the use of public funds to underwrite training.

EDS' success in using public funds for training welfare recipients has been influential in its recent decision to substantially expand this strategy. Through its new Government Partnership Plan, EDS plans to seek all sources of public funding that its employees are eligible for, use those funds to underwrite wider training, and apply the savings to expanding the employee development program.

Highlights of Welfare-to-Work Involvement

EDS has partnered with other organizations to develop award-winning programs providing technical training and mentorship services.

Technical training for welfare recipients.

The Advanced Technology Program (ATP) is an award-winning partnership of EDS, other employers, three community colleges, and state and local organizations that provide support services. The program is limited to welfare recipients and receives federal, state, and local funding through Michigan's work-force development boards.

ATP's intensive training combines classroom and on-the-job learning. Following careful screening, a five-week preparation phase provides introductory technical/professional skills training. Next, an eight-week job-skills development phase provides technical training in one of several employment tracks and continued training in professional skills. Finally, participants enter a four- to five-week internship, with both classes and on-the-job training. ATP participants must put in 55 hours a week for 18 weeks.

EDS hires participants who complete the program successfully. The firm has hired system administrator associates, business analysts, and help-desk staff from ATP. Incomes in these positions are high enough for many employees to end all public assistance, including food stamps and Medicaid, within a year of employment.

Support for retention and advancement. When hiring a welfare recipient, EDS provides formal support from supervisors and informal support by co-workers. A best-practice example is the award-winning Work First program, operated by EDS and Oakland Community College. The program provides a mentor-manager orientation to assist welfare recipients with work transition and workplace navigation skills.

EDS sees staff development as the key to improved retention. The firm helps staff develop individual plans and provides a range of training and tuition-reimbursement options.

EDS

Highlights of Welfare-to-Work Involvement *continued*

Relationships with partners. Strong partnerships, careful screening, and extensive training are key to EDS's welfare-to-work program. Over the years, the firm's local staff have developed significant partnerships with Oakland (Michigan) Community College, The Cornerstone Partnership in St. Louis, and Detroit's Focus: Hope. EDS has invested substantial resources into developing training at these organizations, providing technology, technical assistance, and curriculum design/development. It also loans executives, such as the chief of information for Focus: Hope, to the training agencies.

EDS recently donated a computer lab to the Dallas Urban League, which will use it for pre-employment software training. EDS will work with Urban League staff to prepare welfare recipients to enter the workforce. In addition, EDS will define and disseminate information about job titles and skill sets for open positions and help the Urban League pursue continuous improvement activities.

EDS seeks to partner with organizations that will recruit welfare recipients who are potential employees and assist them with overcoming barriers to employment, such as the need for child care and transportation.

Expanding activities. EDS is rolling out an extensive new corporate human resources campaign that seeks to increase the employment of welfare recipients. A recently implemented, more centralized corporate structure has provided the opportunity to expand its welfare-to-work efforts and leverage its local experience. Under the leadership of the firm's new Executive Vice President for Human Resources Worldwide, the Government Partnerships Plan will help EDS retain and upgrade the skills of its workforce, employ more welfare recipients, and underwrite these activities with public funds.

Corporate staff have identified at least seven federal and state training subsidies, tax incentives, and hiring incentive programs available to local operations. Staff are leading efforts to enable the firm to identify current employees and new hires who are eligible for subsidies. They are also training managers to identify job codes for which welfare recipients could be hired, determine core competencies for each position, and apply sophisticated recruiting methods to identify quality candidates. Corporate staff will also design training for welfare recipients.

Goals for local participation in hiring, retaining, and developing welfare recipients will be set by corporate headquarters. Local staff will develop two-year implementation plans and provide quarterly progress reports to corporate staff. Each EDS unit will identify a project leader, identify a number of new positions for the initiative and determine the types of training those individuals will receive.

Challenges and Promising Practices

Demand for employees with information technology skills will remain strong for the foreseeable future, even if unemployment increases generally. This makes recruiting good job candidates a key challenge. Through strong partnerships and high-quality programs, EDS has had success in recruiting highly motivated and technically adept individuals who are receiving welfare benefits and training them.

To meet its business needs and to promote local economic development, EDS is reviewing the opportunity to develop seven customer call centers close to low-income communities. Staffing these centers is a challenge. Typical call center employees are 18 to 24 years old, an age group with relatively high rates of unemployment in low-income communities.

EDS

Key Lessons

- ***Job-focused pre-employment training is effective in developing technical staff for EDS.***

The award-winning Advanced Technology Program meets the needs of welfare recipients and EDS. However, a large amount of pre-employment training can be difficult to carry out under laws and regulations that stress a work-first approach.

- ***EDS has used partnerships to provide effective technical training.*** In partnership with employers, community colleges and community-based organizations are effective platforms for high-quality technical training.

- ***The success of EDS in training welfare recipients holds promise for broader workforce development efforts.*** The Government Partnership Plan is a bold strategic effort to make multi-faceted connections between public resources and business objectives while also addressing issues of recruitment and retention of non-traditional labor pools. It will require both flexibility on the part of public funding sources and the ability of EDS to balance its own objectives with public policies.

Contact Person

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Federal Express (FedEx)

Business Area

One of the largest express transportation companies, providing domestic and international delivery services with about 140,000 employees, including 5,000 in the U.K.

Benefits of Welfare-to-Work Involvement

FedEx began its welfare-to-work initiative in 1997. While government tax credits initially led FedEx to hire welfare recipients, the firm has identified four additional important benefits: reduced hiring time, improved quality of new hires, the ability of former welfare recipients to stay on the job and advance in employment at FedEx compared with other entry-level workers, and the increased loyalty of new employees to FedEx.

Highlights of Welfare-to-Work Involvement

FedEx is involved with Families First, a Memphis initiative that is part of Tennessee's welfare-to-work effort. The FedEx/Families First Partnership involves state employment and human service agencies, local governments, the local private industry council, community colleges, education and training providers, and other service providers. The program is designed to meet the needs of both employers and job seekers.

Within the past year, FedEx has hired approximately 260 Families First participants, placing them in either warehouse or clerical jobs. Most are employed as cargo handlers at a base rate of \$8.67 per hour.

Relationships with partners. FedEx works closely with training organizations that prepare welfare recipients for employment. These organizations provide training in job readiness and other soft skills, as well as specific skill training for FedEx jobs. The training stresses the importance of taking initiative and seeking opportunities beyond entry-level work. FedEx attributes the program's positive outcomes to the trainers' pre-employment interaction with and orientation of new employees.

FedEx recruiters meet regularly with trainers and program participants prior to employment. The meetings help trainers incorporate FedEx standards for instruction and curriculum into the program. FedEx recruiters spend one-on-one time with participants, helping them become familiar with one another, an aspect of the program that eases the transition to employment.

Support for retention and advancement. FedEx offers "flex time," trains managers in implementing flexible schedules and other work/life issues, and has many support groups to help employees balance work and family life. Former welfare recipients receive the same benefits package as other employees, including medical, dental and vision-care insurance, and tuition reimbursement. For the last three years, *Working Mother* magazine has selected FedEx as one of the 100 Best Companies for Working Mothers.

Challenges and Promising Activities

Entry-level work at FedEx is demanding and turnover is high. Most, if not all, entry-level positions filled by Families First participants are part-time. However, retention rates for Families First workers are better-than-average for the firm as a whole due to the pre-employment training participants receive and the substantial benefits FedEx provides to its part-time workers.

Transportation and child care present consistent difficulties for new employees. While reimbursement for child care is available from the government, FedEx personnel and partner organizations deal with short-term or last-minute crises as they arise. The close relationship between FedEx and its partner organizations makes it possible to address crises and system-level problems.

To ensure the integrity and quality of pre-employment training, FedEx works closely with training staff and program participants. FedEx has invested considerable time and effort in setting standards and policies, designing curricula, and informing instructors about FedEx job openings and skill needs. Moreover, FedEx works to ensure that staff approach participants

Federal Express (FedEx)

Challenges and Promising Activities *continued*

as individuals; it cautions instructors and supervisors not to “treat participants as a number, [because] they feel it.”

Future Trends

FedEx intends to expand its welfare-to-work efforts beyond its Memphis hub. It is contacting its recruitment centers nationwide to plan recruitment and hiring strategies. Centers report on the number of welfare recipients employed to date, as well as plans for a local welfare-to-work effort. FedEx encourages the recruitment centers to seek partner organizations, and the Memphis office provides guidance to centers that wish to establish new local welfare-to-work programs. FedEx expects its need for entry-level workers to continue, making this investment worthwhile.

After one year of operation, the Memphis office has identified several ways to strengthen its welfare-to-work program and support employees’ transition to work. The office plans to establish a voluntary mentor program for new hires, in the expectation that mentors will ease the adjustment to work, reduce the adjustment period, and help lower turnover. FedEx has also established a pilot program in which people seeking GEDs are hired first in temporary positions; after receiving GEDs, they are considered for permanent positions. The firm is also arranging for Families First participants to have a quality, accessible child care.

Key Lessons

- ***FedEx’s welfare-to-work program depends upon communication and commitment.***

Strong, constructive, working relationships among FedEx human resources staff and managers, the training staff, and other partners involved in the Families First initiative

are essential. These relationships enable FedEx to communicate expectations clearly, provide feedback on quality, and guide improvement of pre-employment training and orientation.

- ***FedEx provides substantial, consistent internal support.*** Maintaining these relationships requires support within FedEx and consistent, thoughtful effort over time. Benefits to the firm make this substantial investment worthwhile.
- ***To employ individuals with significant barriers, FedEx needs strong partners.*** Workers hired through Families First often face complicated barriers to employment, and those who work with them need to be committed to seeing them succeed.
- ***FedEx has found that involvement frequently expands to new services and supports.*** Not only does FedEx expect commitment to success from supervisors and trainers, the firm is demonstrating it by piloting mentoring programs and through its work on GED and child-care activities.

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Manpower, Inc.

Business Area

The world's largest temporary-help and staffing firm, with 2 million employees, including about 33,000 in the U.K.

Benefits of Welfare-to-Work Involvement

Manpower's core business is to help other employers meet short- and longer-term staffing needs. Manpower specializes in office, light industrial, and professional technical jobs. Technical jobs are the firm's fastest growing area. "Welfare-to-work makes good business sense because there are many jobs going unfilled and many candidates who want to work," says Manpower CEO Mitchell Fromstein.

Highlights of Welfare-to-Work Involvement

Manpower has employed welfare recipients for many years and doesn't distinguish between welfare recipients and other job seekers. Manpower got involved with welfare-to-work as a natural extension of its business and out of a sense of civic responsibility.

Manpower is a temporary employment agency, but it provides a vehicle for welfare recipients to secure permanent jobs. About 54 percent of Manpower's temporary placements in the United States lead to permanent job offers.

Building the system. Manpower is a founding member of the Welfare to Work Partnership and local partnerships throughout the United States, including those in Nashville, TN; Orange County, CA; Milwaukee, WI; Granite City, IL; and Detroit, MI. In addition, Manpower's experience as an intermediary between employers and job seekers and its systems are a significant resource for the firm's welfare-to-work efforts. Manpower's credibility with and knowledge of employers extends the reach of existing placement efforts and can enhance the opportunity individuals receiving welfare have to achieve permanent employment.

In Orange County, Manpower partners with Curtis & Associates to help participants in California's GAIN (Greater Avenues of Independence) Program move from welfare-to-work. Curtis

& Associates recruits welfare recipients and Manpower trains and employs them. Edward Ramirez of Curtis & Associates says that Manpower personnel provide a great deal of mentoring and motivation, reducing the stress of seeking employment.

In Louisville, Kentucky, Manpower has an office at the Wiggins Family Investment Center. This one-stop shopping approach makes it easy for welfare recipients to access social services, including a wide range of job training and assistance in overcoming barriers to work.

Manpower provides job-seekers with assessments of interest and skill. It also offers training in soft skills, such as punctuality and communication, and computer training on more than 350 software packages.

The "reverse funnel." Manpower's employment process efficiently interviews, evaluates, trains, and matches welfare recipients with jobs. Unlike the typical "funnel-like" hiring process, with many candidates seeking one job, Manpower's "reverse funnel" approach matches each welfare recipient to one of the many temporary jobs Manpower seeks to fill. The firm also provides a wide range of training services before and after an individual goes to work through Manpower.

Corporate role. Manpower's corporate staff provide research on worker assessments, job training strategies, labor market trends, and customer demands. Corporate staff have developed innovative assessment and training strategies.

Local role. Local Manpower staff develop relationships with employers, enter into government contracts, and build relationships with community organizations in order to secure job orders, funding for training, and recruitment assistance.

Relationship with partners. Manpower has established partnerships with city governments, community colleges, and community-based organizations in Seattle, Philadelphia, New York, San Francisco, and Nashville. Manpower's role is to provide services that enable welfare recipients to meet Manpower's prevailing standards for temporary employees. The firm bases its

Manpower, Inc.

Highlights of Welfare-to-Work Involvement *continued*

efforts on continuing skill building, leading to a career path rather than simply a job. To achieve this objective, Manpower combines work experience, upgrade training, and retention assistance.

In Nashville, the firm won a contract to provide training services to welfare recipients who are moving to work through the city's welfare-to-work program. Public funding produces as much revenue for Manpower's welfare-to-work training as its other training activities, according to Debra Richardson, Manpower's Nashville Training Manager.

Manpower has developed numerous relationships with non-profit, faith-based, and government organizations as part of its welfare-to-work efforts. These partners provide recruitment services and assist participants to overcome barriers to employment. The most important characteristics of successful partners are flexibility and their capacity to help individuals quickly overcome child-care, transportation, and other barriers.

Services Manpower provides. Manpower's welfare-to-work partnerships are designed to prepare welfare recipients for entry-level jobs, with skills especially in call centers, data entry, office skills, and information technology. Manpower brings four major assets to these partnerships: assessment, skills training, employer credibility and access, and upgrade training.

Assessment. Manpower's methods of matching job seekers with job openings are the same for all candidates. Assessment procedures are designed to "screen in" job-seekers for a range of jobs rather than screen them out from jobs. Assessment activities frequently include the production of work samples and in-depth interviews on work history, job preferences, and skills.

Training. Manpower has created a video-based "Putting Quality to Work" program that illus-

trates the use in work situations of "soft skills" such as punctuality, accepting supervision, taking initiative, and treating co-workers as customers. The firm's Skillware program provides hands-on experience with the newest office software. A self-paced computer-based training tool that uses work simulations, Skillware can develop office job-related software competence in eight hours or less, and provides training in word processing, database, spreadsheet, electronic communication, and data entry. In addition, training in Good Manufacturing Practices and training in high-demand soldering skills, is available for those seeking light manufacturing jobs.

Employer credibility/access. Manpower has extensive relationships with employers, well-positioning it to open the doors to jobs for welfare recipients. Manpower's reputation for success in matching the person and the job provides credibility to welfare-to-work partnerships in which it participates. Within those partnerships, Manpower reassures firms that employees will have the necessary skills and characteristics. Manpower also benefits welfare-to-work partnerships with its Quality Performance program, which monitors job-placement matches and provides training to continuously improve the extent to which it meets employer needs and includes appraisals of staff performance and job skill assessment validity.

Support for retention and advancement.

Successful completion of training is factored into Manpower's job-matching process, increasing its value to employers. Manpower is beginning to integrate training with placements by developing internships and work assignments based on the skills an individual seeks to develop. In addition, Manpower provides all employees access to TechTrack—individualized, self-based training in over 1,000 networking and programming technologies that leads to certification. This training makes it possible for some welfare-to-work participants to get lucrative information

Manpower, Inc.

Highlights of Welfare-to-Work Involvement *continued*

technology jobs, especially over the longer term. TechTrack is already available through an Internet site, and Manpower plans to make the full range of its training available on-line.

Challenges and Promising Practices

Manpower's research shows that the U.S. economy is strong and that the likelihood is very small that unemployment rates will increase substantially in the foreseeable future. However, in a downturn, it is likely that the last hired will be the first fired. Because so many welfare recipients have gotten jobs recently, a significant number might lose jobs. Public funding for outplacement and counseling services might become very important.

Key Lessons

- ***Manpower helps smaller businesses manage hiring risk.*** By providing a "try before you buy" service, Manpower reduces the risk involved in hiring, especially for smaller firms that lack a human resources staff.
- ***Manpower has developed tools that fit welfare-to-work efforts.*** Because it benefits the client firm where employees are placed and the job seeker, Manpower has developed high-quality assessment, training, and job-matching tools and strategies. These have great value in supporting candidates' desire to retain employment and gain promotions.
- ***Manpower's partners provide support services.*** Because Manpower doesn't offer assistance in overcoming non-work barriers to employment, it is building partnerships with organizations that can provide that assistance.

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Marriott International

Business Area

A worldwide operator and franchiser of hotels and senior living communities, with 117,000 employees, including 2,000 in the U.K.

Benefits of Welfare-to-Work Involvement

Among welfare recipients who participate in Marriott's Pathways to Independence program, retention rates and job performance levels are far higher and their loyalty to the firm is greater than entry-level employees in general. The retention rate is 65 percent after one year versus 50 percent for entry-level employees who did not go through the Pathways program.

"We have been able to get employees who hit the ground running," says Janet Tully, a former director of community employment and training for Marriott. "We knew that they would be well trained. That they have been so loyal is something we really did not expect."

The Pathways program also provides access to a new labor pool, reduces hiring costs, and gives Marriott wonderful publicity, according to Fred Kramer, director of community employment and training.

Marriott's pioneering Associate Resource Line (ARL) provides resource and referral information designed specifically to meet the needs of entry-level employees. The ARL helps employees maintain high-quality job performance, reduces turnover, and reduces associated costs. It has yielded a 4-to-1 return on investment, with 23 percent of users reporting reduced absenteeism, 34 percent reporting being less distracted, 20 percent noting improved relationships with co-workers, and 17 percent saying the service meant they did not have to quit their jobs, according to Marriott.

Highlights of Welfare-to-Work Involvement

The Pathways to Independence program enables Marriott to hire qualified employees; the Associate Resource Line helps reduce turnover.

Pathways to Independence highlights.

Pathways to Independence began in 1991. In

1998, Marriott ran the program at 28 hotels in the United States. Success in the program guarantees a job at Marriott or another hotel.

Marriott's data show that typically 95 percent of program participants secure jobs.

In 1997, 220 welfare recipients participated in the program. In 1998, its best year ever, Marriott expanded participation to over 500 people and expects to have at least as many participants in 1999. With contracts through the year 2000 in hand, Marriott expects to expand the Pathways program.

Associate Resource Line highlights. The ARL has widespread use throughout Marriott. It is available to entry-level employees in general, including welfare recipients hired through the Pathways program. Data for 1996 indicates that 44 percent of calls relate to child-care or parenting issues, 9 percent relate to elder care issues, 27 percent concern personal crises (e.g., housing, immigration, domestic abuse, custody, harassment, child abuse, domestic crises), and 20 percent involve counseling. The ARL has a multilingual capacity; in 1996, 13 percent of callers did not speak English.

Pathways to Independence Program operations.

A six-week training program combines 60 hours of classroom training with 120 hours of on-the-job occupational skills training. The program is designed to build relationships between trainees and Marriott staff, who conduct classes and skill training. Marriott staff play a much more significant role in carrying out the Pathways program than is common for welfare-to-work programs. Each class of 15 welfare recipients involves 15 to 40 Marriott Associates.

The Pathways program focuses on soft skills. Marriott has found that the program's success in helping participants develop a positive self-image increases their willingness to see themselves in a positive work role and to be held accountable for their actions. Training topics include customer service, teamwork, accepting and giving criticism, and career development opportunities at Marriott. The program also teaches life skills

Marriott International

Highlights of Welfare-to-Work Involvement *continued*

(e.g., personal finance and how to apply for the Earned Income Tax Credit, a federal income supplement).

Marriott contracts with government agencies for funding that offsets a substantial portion of program costs.

The role of partners. Marriott develops partnerships with government funders and community-based organizations on a city-by-city basis. Among its partners are Jewish Vocational Services, Goodwill, and Job Corps. Partners are the exclusive referral source for the Pathways program. They pre-screen candidates, using procedures similar to typical hotel screening, such as checking for substance abuse, literacy, and a willingness to work. Some partners understand Marriott's work environment very well. In at least one case, Marriott accepted into Pathways 94 percent of welfare recipients referred by a partner. Marriott's goal is to accept 50 percent of referrals; it considers that an acceptance rate of 25 percent or less is a sign that the partner needs to improve its understanding of Marriott's employee requirements and program standards.

Partners provide a variety of other services as well. The best partners provide training in life skills, behavior, and self-esteem; case management services before, during, and after the program; support for overcoming barriers to participation in the training (e.g., by convening trouble-shooting sessions among the participant, the case manager, and Pathways program staff); and services to encourage job retention and career development.

Roles of corporate and local staff in the Pathways program. Corporate staff developed the Pathways program and the ARL, market the programs to hotels, and monitor quality. In regard to Pathways, corporate staff modify the curriculum to keep it current with Marriott work processes, set up contracts with funding sources, train hotel staff to host the program, and liaison between local hotel staff and the funding source.

Over time, corporate staff reduce their role from major responsibility to troubleshooting.

Local staff participate in the program voluntarily but tend to continue their involvement once they see the benefits. They run the classroom aspects of the program. Local staff also supervise a job-shadow component of Pathways. At some hotels, Marriott's human resources staff supervise the program and serve as job counselors during welfare recipients' transition to employment.

Marriott provides partners with information about job openings and needed skills and input into policies and program design that improves partners' capacity to help participants meet Marriott's standards. Marriott staff also work hard to assure that partners share the firm's expectations, and they work with partners' staff on continuous improvement of the programs.

Marriott considers that the best measure of Pathways' value is the number of hotels involved. For contract reporting, Marriott also tracks data on participation, including the number of welfare recipients who attend the first day of class, the number who graduate, the number who become employed, and the number retained for three and six months.

Support for retention and advancement. The ARL reflects Marriott's business strategy: to have the most advanced human resources practices possible. According to a JFF case study by Basil J. Whiting, the ARL provides round-the-clock assistance using a case-manager approach. Employees can get help with any personal problem that troubles them or a family member. The ARL also provides managers with advice on how to help a subordinate. ARL staff spend enough time, often over an hour, to get to know the employee and the details of the problem, to research the problem, to identify resources that can help overcome it, and to attempt to contact the resource provider before referring the employee. When the employee and ARL staffer agree that the matter is satisfactorily resolved, the case is closed. Within 30

Marriott International

Highlights of Welfare-to-Work Involvement *continued*

days, a Quality Assurance Team checks on the results and the employee's satisfaction. To develop the ARL, Marriott contracted with The Partnership Group, which has merged with Ceridian Performance Partners and continues to provide the ARL services.

Marriott provides a range of family-friendly benefits that have led to its inclusion among *Working Mothers* magazine's 100 Best Companies for Working Mothers for the last eight years. The firm provides benefits to all entry-level employees who work over 25 hours per week, such as paying 65 percent of health insurance premiums and offering information about and access to a variety of child-care programs and assistance.

After hiring Pathways program completers, Marriott assigns responsibility to their immediate supervisors for providing mentoring and problem-solving assistance. Marriott also stresses the opportunities entry-level workers have for promotions. "Examples of people climbing our corporate career ladder are all around," says Tully. "It makes our welfare-to-work employees realize they can get somewhere."

Key Lessons

- ***Support from the very top is key to the success of Marriott's welfare-to-work program.*** Pathways to Independence requires a great deal of work and complete commitment from the company.
- ***Marriott has found the need to overcome stereotypes about welfare recipients.*** The firm has had to address this with some of its employees in order to successfully implement Pathways.

- ***Marriott's strategy of being the industry leader regarding benefits drove development of the Associate Resource Line.*** This strategy created the conditions that made innovation possible. Notably, several firms have adopted a resource-line service as an entry-level employee benefits

- ***Promotion from within is a key aspect of Marriott corporate culture.*** Promotion from within increases entry-level employee commitment, increasing the quality of customer service. It makes it possible for Marriott to capture the value its investments in entry-level employees.

- ***Partners are important to welfare-to-work programs even when the firm's staff carry out most activities.*** Partners recruit, screen, and provide support services to overcome welfare recipients' barriers to employment, especially those that are not directly related to work, such as child care and transportation.

- ***The quality of partners' services occasionally has been a problem.*** "To ensure quality is continuous in programs, Marriott depends upon open two-way communication with partners," says Kramer. "Partners need to be aware of Marriott's expectations and what they have to do to meet them. In turn, Marriott must know its partners' needs and expectations."

Contact Person

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McDonald's Corporation

Business Area

A quick-service restaurant business with over a million employees, including 250,000 in the United States and 36,500 in the U.K.

Benefits of Welfare-to-Work Involvement

The major benefits to McDonald's of its welfare-to-work programs are greater retention, higher quality employees, and higher productivity. While the programs have not reduced hiring costs, they have sometimes reduced the time it takes to hire entry-level employees.

Highlights of Welfare-to-Work Involvement

McDonald's restaurants provide easily accessible employment to welfare recipients. About 20,000 of the firm's employees were receiving welfare when hired, an unplanned outcome of the firm's recruitment and hiring activities. McDonald's considers welfare recipients a valuable pool of potential employees for its many lower-wage (\$5.75 to \$5.90 per hour), entry-level jobs.

The firm created its welfare-to-work program to increase the benefits of hiring welfare recipients for both its restaurants and their employees. McDonald's provides training that makes new employees more productive and increases the quality of their work. It also provides an opportunity for employees to get better jobs, either at McDonald's or with other employers. McDonald's has programs in New Orleans, Minneapolis, South Florida, Chicago, and Hartford and is expanding its efforts to hire and train welfare recipients.

Because 85 percent of McDonald's restaurants are owner-operated, the growth of the firm's welfare-to-work program is determined by store-owners' perceptions of its benefits. The program holds lessons for other franchise businesses and for efforts of large firms assisting with small ones.

Corporate role. McDonald's corporate staff encourage restaurants to participate in the welfare-to-work program by making it easier to do so. Corporate staff help restaurant managers

develop partnerships, provide them with support services, and design training. However, corporate staff do not set goals or monitor restaurants' efforts to employ welfare recipients.

Corporate staff meet with high-level government officials to pave the way for good working relationships between restaurants and local agencies. The corporate message to government agencies is "make it simple." Corporate staff have also contracted with another company to process applications for tax credits the firm receives for hiring welfare recipients. In addition, the firm employs regional retention managers who help restaurant staff improve training and retention.

McDonald's has created an employee-development curriculum based on its school-to-work program. The beginning level has modules on customer service, business communication, business math, job readiness, and business systems—skills applicable to many retail jobs. To emphasize opportunities to move up a career ladder, the curriculum has more advanced levels. Within about a year of starting work, employees can train for McDonald's jobs paying \$8 to \$9 per hour, sometimes with benefits.

Local role. To meet local employment needs, restaurant managers develop partnerships with service providers. Some restaurants have designated a training manager as well. The basis for these local efforts are the framework, curriculum, and networks supplied by corporate staff. For the many owner-operated McDonald's, these resources represent a significant corporate contribution.

Relationships with partners. McDonald's stores work with a variety of partners. For example, members of the Minnesota Retail Merchants Association have agreed to use the McDonald's training to prepare employees for work in their own establishments. Jewish Vocational Services teaches the curriculum to welfare recipients, and McDonald's has the first opportunity to employ them when they complete the training; if McDonald's doesn't offer them jobs, other members of the association can hire them.

McDonald's Corporation

Highlights of Welfare-to-Work Involvement *continued*

Restaurant managers provide information to partners regarding job openings and needed skills, work with partners to establish screening criteria that meet McDonald's needs, and set standards for the soft skills, hard skills, and performance levels welfare recipients need to achieve. Partners provide training before and/or immediately after welfare recipients are hired. As work processes at McDonald's change, the training curriculum does as well; McDonald's works with its training partners to respond successfully to these changes.

Partners also provide other services, including screening for substance abuse and assisting in overcoming barriers to employment, such as a lack of child care or transportation. Some partners provide post-employment support.

Training for partner organizations. McDonald's has developed a customer-service training program for the staff of partner agencies. Topics include customer service in non-profit organizations, vision, how to avoid mistakes, and measuring program outcomes.

Retention and advancement. McDonald's emphasizes the importance of developing career ladders for welfare recipients. It considers itself a point of entry to the labor market for first-time workers. Its training supports internal promotion as well as skill development that enables employees to secure better jobs with other employers.

Involvement in governance. McDonald's is a member of the welfare-to-work Partnership. Corporate staff participate in the Illinois Human Resource Investment Council. The company believes that the activity that is most important for it to promote with the council is planning, and it has also assisted efforts to assess the needs of job seekers and those who work in entry-level jobs. McDonald's is also involved in several local partnerships, including those in Chicago, New Orleans, and Minneapolis.

Challenges and Promising Practices

McDonald's restaurant managers are quite aware of the trade-off between investing in developing successful partnerships versus other recruitment strategies. They evaluate the extent to which programs meet their hiring needs and how easy they are to work with. Sometimes, the managers choose not to invest the time and make the changes necessary to develop partnerships. Partners have sometimes been difficult to work with and inconsistent in meeting McDonald's expectations. However, programs succeed when both the restaurant staff and service provider make a commitment to the partnership. Restaurant managers must be clear about the quality and quantity of positions they seek to fill, consistent in their expectations, and open to new recruitment and hiring strategies. McDonald's has found its customer-service training to be a key asset in building partners' understanding of the approach it expects them to take in meeting the firm's needs.

McDonald's corporate culture is to promote from within, and its training supports this objective. However, the firm has found that a ninth-grade level of literacy is necessary for the upper levels of training, which is required by jobs paying \$8 to \$9 per hour.

Future Trends

McDonald's expects its welfare-to-work efforts to expand gradually. The firm prepared a report on its experience in New Orleans and made it available on-line as a model for other McDonald's restaurants that want to begin welfare-to-work programs.

Key Lessons

- **McDonald's has developed ways to assist smaller businesses.** The efforts of corporate staff to help managers develop partnerships, provide them with support services, and design training programs are examples of steps large corporations can take to benefit smaller ones.

McDonald's Corporation

Key Lessons

continued

- ***McDonald's provides training for partner organizations.*** McDonald's customer-service training for the staff of agencies that provide recruitment, assessment, training, and support services is a concrete method of increasing their capacity to meet the needs of business.
- ***McDonald's jobs can lead to better employment.*** McDonald's training programs make it possible for employees to advance within the company. They also provide skills that qualify McDonald's employees for employment in many service-sector jobs and offer the opportunity for them to climb occupational career ladders.

Contact Person

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Pizza Hut

Business Area

A fast-foods business, Pizza Hut has 120,000 U.S. employees, of whom 108,000 are in entry-level positions. In the United States, Pizza Hut is part of Tricon Global Restaurants and has the largest percentage of company-owned stores among fast-food chains. In the U.K., Pizza Hut has about 8,500 employees and is a unit of Whitbread.

Benefits of Welfare-to-Work Involvement

Pizza Hut cites several benefits of employing welfare recipients. Stores receive tax credits for hiring welfare recipients, and Pizza Hut's highly effective-tax-credit recovery system provides significant revenue to the firm. Jobs Plus, Pizza Hut's most promising welfare-to-work program, has reduced annual turnover, (to 28 percent for participants versus 130 percent for new employees in general). The firm estimates that each avoided new hire saves at least \$300 in recruitment and training costs. Other Jobs Plus benefits include reductions in the time it takes to fill positions and greater employee loyalty to Pizza Hut.

Highlights of Welfare-to-Work Involvement

Pizza Hut hired at least 9,000 welfare recipients in 1997. About 700 of these individuals participated in the Jobs Plus program. Tim Cate, Manager of Federal and State Hiring Incentives, projects that Pizza Hut will have hired 1,300 welfare recipients through Jobs Plus in 1998.

Jobs Plus began in 1985, when a labor shortage affected the U.S. service industry in general. At that time, Pizza Hut formed a task force that recommended efforts to hire seniors, non-working mothers, and individuals with disabilities. In response, the firm established the Job Plus program, which provided employment services to support individuals with disabilities. Pizza Hut has employed more than 14,000 individuals with severe disabilities through the program, among whom 73 percent were developmentally disabled. By the early 1990s, Pizza Hut was

receiving the most revenue of any U.S. company from the Targeted Jobs Tax Credit.

During the last several years, the Jobs Plus Program has also helped Pizza Hut to recruit, train, employ, and arrange support services for individuals receiving welfare who also have disabilities.

Jobs Plus is a partnership between Pizza Hut and Integrated Resources Institute (IRI), a non-profit agency. Through a national database of agencies, IRI sources employees for Pizza Hut and manages a two-way flow of information: agencies let the program know about job seekers who meet Pizza Hut's hiring criteria, and store managers let the program know about job openings.

Pizza Hut pays IRI for its services. The value Pizza Hut receives in return is that IRI makes recruitment cost-effective and meets Pizza Hut's employment needs well. What makes it so easy for Pizza Hut is that the firm does not have to commit major corporate resources to the program or train local staff. All corporate staff need to do is to explain the service to store managers and provide the Jobs Plus phone number.

Pizza Hut also trusts IRI to maintain quality control. Jobs Plus will stop working with an agency that regularly refers job seekers who don't have the competencies for work at Pizza Hut.

Pizza Hut considers IRI a business partner. The Work Opportunity Tax Credit, which has replaced the Targeted Jobs Tax Credit, expired in 1997. This is the key tax credit for the Pizza Hut program. Although it was re-approved retroactively, there was a period when Pizza Hut did not receive tax credits for hiring Jobs Plus participants. During this time, Pizza Hut continued to work with IRI (and pay for Jobs Plus services).

At the local level, store managers that regularly use Jobs Plus get to know the agencies that provide support services to program participants. The most successful employment results from a

Pizza Hut

Highlights of Welfare-to-Work Involvement *continued*

strong working relationship between a manager and a local agency.

Services Pizza Hut's partners provide. Agencies typically prepare candidates for employment before referring them to Pizza Hut. The preparation focuses on soft skills but can include hard skills. After hiring, many agencies provide an on-the-job "coach" who works with the new employee. This model, common among agencies that support employment of individuals with disabilities, provides a high level of service. The coach teaches the new employee the job and facilitates interactions with supervisors and co-workers. The coach also helps with support services, such as securing reliable transportation for the employee to and from work.

Roles of corporate and local staff. Corporate staff market the Work Opportunity Tax Credits available to stores and have set up a system so stores can use them easily. The tax credits go to the store's profit line, so hiring welfare recipients improves store managers' performance measurements and year-end bonuses. Corporate staff report that many stores come to have high levels of participation after having a few good experiences hiring welfare recipients and receiving tax credits.

The tax credit operates as a "pull mechanism," in contrast to a "push mechanism" such as corporate staff requiring store managers to hire welfare recipients.

Regional field staffing leaders assist stores in making connections with IRI, local service providers, and government agencies.

Through the program's work with individuals with disabilities, store managers have received education, support, and rewards to develop individualized, successful positions for Jobs Plus participants, and have learned to work with job coaches and the agencies that employ them. The managers apply this approach to employing welfare recipients. However, once a person is hired, Pizza Hut treats those who come

through Jobs Plus the same as other entry-level employees. They get positive feedback, especially during the first two weeks, and managers take steps to make the new employee feel like part of the store's team. Like all employees, they also get regular in-store training and new product roll-out training. Managers also try to be flexible regarding work scheduling. Pizza Hut increases wages yearly and tends to promote from within. Employees can be nominated for promotions by other employees or nominate themselves.

Challenges and Promising Practices

By the 1990s, Pizza Hut had received Targeted Jobs Tax Credits for more employees than any other employer, in large part because of its employment of individuals with disabilities through Jobs Plus. Recent uncertainty related to the Work Opportunities Tax Credit is a major frustration for Pizza Hut. In September 1998, Congress renewed the credit for one year. However, Pizza Hut has found it difficult to commit resources to expanding the Jobs Plus program when the future of the tax credit is uncertain.

Pizza Hut contrasts the Jobs Plus program and agencies that participate in it with its general experience with welfare offices. Pizza Hut has not had an easy time working with government welfare agencies. The company believes this is because of a difference in organizational goals and culture: welfare offices seek to get checks to people, while other agencies want to get people to work and help integrate clients into jobs.

Key Lessons

- **Partnerships bring expertise and efficiency.**

Jobs Plus is Pizza Hut's most promising program because of its partnership with Integrated Resources Institute. IRI understands Pizza Hut's employment needs and is expert in managing the agencies that provide job applicants and support services. It would be much more difficult, and perhaps more costly, if

Pizza Hut

Key Lessons

continued

Pizza Hut had to identify a quality provider for each store that wanted to participate.

- ***Pizza Hut uses the tax credit that fits its business environment.*** Pizza Hut considers the Work Opportunity Tax Credit a major business resource but finds the welfare-to-work tax credit far less useful. The company's wage structure and relatively short-term employee retention fit the former rather than the latter. Also, the Work Opportunity tax credit applies to a range of target groups Pizza Hut employs, while the welfare-to-work Tax Credit only applies to welfare recipients.
- ***Cultural differences between the private and public sectors are factors in firm decisions.*** Pizza Hut perceives that its difficulty in working with welfare offices results from their orientation toward getting checks out to clients rather than getting clients to work and assisting them to integrate into jobs.

Contact Person

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Salomon Smith Barney (SSB)

Business Area

A financial services firm with more than 35,000 U.S. employees and 1,300 in the U.K.

Benefits of Welfare-to-Work Involvement

For hiring welfare recipients, SSB has earned tax credits, reduced payroll (\$8/hour for an intern's first four months versus \$20/hour to pay a temp agency), and reduced hiring time. In addition, managers are more secure about hiring decisions because the internship lets them get to know candidates for employment better. Program participants who are hired into permanent positions have a retention rate of 90 percent, compared with an average retention rate of 82 percent for equivalent positions.

Highlights of Welfare-to-Work Involvement

SSB began its welfare-to-work efforts in 1995, when the firm had 550 openings. Barbara Silvan, Senior Vice President of Human Resources, had learned of Wildcat Service Corporation, a non-profit, community-based program that trains welfare recipients. SSB hired four Wildcat interns. Steadily increasing this number, SSB has now hired 75 former welfare recipients through Wildcat into permanent positions; 90 percent are still employed. Silvan is a strong champion of SSB's welfare-to-work efforts.

Services partners provide. Wildcat prepares welfare recipients for employment at SSB and other firms. It recruits and screens welfare recipients to identify those likely to succeed in financial services firms, then engages them in a 16-week training course in computer, communication, and work-readiness skills. Wildcat makes sure that welfare recipients who begin internships at SSB are in the habit of getting to work on time, and dress and behave professionally, and that they have worked out housing, child-care, transportation, and domestic-violence problems. The training simulates "real work"—participants must dress for work (not school), arrive on time, and attend class daily. Those who miss more than a few classes are dropped from the program. SSB interviews those who complete

the training and selects some for four-month internships. If performance in the internship is satisfactory, SSB offers the candidates permanent positions.

Relationships with partners. SSB and Wildcat staff worked together to ensure that Wildcat understood SSB's hiring standards. Wildcat sought feedback from SSB on unsuccessful candidates, using it to improve the pre-employment program. Ultimately, Wildcat hired a staff person from the corporate sector who could better understand SSB's culture and expectations. Wildcat can now more readily identify welfare recipients who are likely to succeed at SSB. Wildcat now proposes about 30 candidates to SSB, and the firm hires 20 to 22 interns. During the last few cycles, SSB has hired 80 to 85 percent of the interns into permanent positions.

Wildcat's skills training is flexible and geared toward SSB's needs, and Silvan regularly informs Wildcat staff about business developments that might change skill needs. Wildcat incorporates these changes into the curriculum. It has even adapted some of SSB's internal training classes for program participants, who master the material before they arrive at SSB.

Silvan has found that hiring welfare recipients is no more burdensome than hiring any other employee. It requires her time at three points in each cycle. In the initial phase, she identifies where SSB needs interns, interviews and places the interns in their four-month positions, and provides the first-day orientation. Mid-way, she coordinates three workshops that SSB offers during the 16-week internship. In the final phase, she identifies and places interns in permanent positions.

Centralizing these functions in one office minimizes candidates' nervousness and simplifies the hiring process. Silvan knows what her managers are looking for, and they trust her judgment. "For SSB managers, SSB's partnership with Wildcat has become synonymous with quality employees," says Silvan.

Salomon Smith Barney (SSB)

Challenges and Promising Activities

The SSB environment is high-powered, and employees must be able to handle the culture—"to look and speak the part." SSB expects the same high standards of all employees, and believes that differentiating among types of employees risks stigmatizing some and angering others.

Challenges and Promising Activities *continued*

As part of the program, Wildcat counselors provide long-term support to former welfare recipients at SSB. A participant who has a problem or question can seek help from a counselor at any time. During the four-month internship, SSB offers three workshops on topics that help participants understand and function in the firm. For example, one workshop covers how to receive performance feedback. Supervisors' first appraisals are built into this workshop, helping the participants digest the feedback and use criticism constructively. An intern who is hired permanently can continue to work with the Wildcat counselor and also take advantage of SSB's Employee Assistance Program.

Advancement opportunities are the same for former welfare recipients as for other SSB staff, including a salary increase after one year of employment. Several former Wildcat program participants have received promotions, and about a dozen have taken advantage of tuition reimbursement. Human Resources staff are available to advise employees on advancement opportunities and strategies.

Future Trends

SSB believes strongly that it should only hire welfare recipients to meet a business need. However, the firm is so pleased with its involvement that it is expanding the Wildcat model to some subsidiaries, such as Commercial Credit. Wildcat is helping identify business needs, for example, identifying which jobs turn over most often. It is also helping SSB subsidiaries to design small start-up programs, to locate a local service provider to play Wildcat's role, and to identify funding sources.

Key Lessons

- ***An internal champion is key to SSB's efforts.*** Silvan takes overall responsibility for welfare-to-work efforts and communicates effectively internally and externally.
- ***Wildcat succeeds by considering the firm its customer.*** Wildcat has the commitment and capacity to understand the corporate culture, program goals, and hiring needs.
- ***Having the same standards of performance is important to SSB.*** Employee standards are high, whether or not an individual has been on welfare.
- ***Transitional opportunities benefit SSB and welfare recipients.*** Four-month internships provide an environment for SSB and the intern to succeed while reducing risk.
- ***SSB and Wildcat provide welfare recipients with long-term support and opportunities for advancement.*** Participants have opportunities for jobs with a future.

Contact Person

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United Airlines

Business Area

One of the world's largest air-passenger carriers, and the largest majority-employee-owned corporation, with over 92,000 employees, including about 54,000 in entry-level jobs

Benefits of Welfare-to-Work Involvement

The primary benefit of welfare-to-work is retention. The firm has retained 69 percent of its welfare-to-work employees. According to Gerald Greenwald, United Airlines Chairman and CEO, "United employees hired from public assistance have one-half the attrition rate of similarly placed employees not from public assistance." Reducing turnover reduces recruitment, hiring, and training costs.

Highlights of Welfare-to-Work Involvement

As of April 1998, 550 United employees were former welfare recipients. They work in customer service, ramp service, reservation sales, cabin service, flight attendant, service, and administrative support. Ninety percent work full-time; part-time employees can start working full-time at the end of their first year. Employees receive a full benefits package, including health insurance, dental insurance, and a retirement plan. Full-time employment and full benefits support retention at United.

United has developed a mentoring program to support retention of welfare recipients. The program was designed by a cross-functional team that included union members, international employees, senior-level executives, and welfare recipients. The team designed a peer-mentor model that wouldn't interfere with employee-supervisor relationships. "Locational champions" oversee the program and assist both mentors and employees. Mentors are volunteers and are expected to perform that role on their own time.

Flexibility is a key principle of the mentorship program. The peer approach is most common, although mentors range from co-workers to senior vice presidents. Welfare recipients are assigned a mentor for their first 60 days of employment. However, Georgina Heard, man-

ager of executive development and succession and architect of United's welfare-to-work program, says that United hopes that relationships will continue after the 60-day period ended, and that has often been the case.

The mentorship program was so successful in increasing retention that United adopted it for all new hires in 1998 to improve long-standing turnover problems. "Not only did we improve retention but a survey of mentors showed that they actually felt better about themselves and the company," says Heard.

Roles of corporate and local staff. In 1996, Greenwald pledged that United would hire 2,000 welfare recipients by the year 2000. As Scott Gilday, Director of People Services for United, says, "The key to running a program like this is to have complete support right from the top. If it is understood from the top down how critical the program is, then it can be turned over to the employment department and the rest of the company to implement."

Corporate staff support local efforts to achieve the overall goal and facilitate a Welfare-to-Work Task Team that local staff participate in. The team assembles planning materials, provides new ideas, engages in continuous improvement efforts, and supports local staff efforts. Each local employment office has a welfare-to-work champion who works internally to promote the effort and develops partnerships with community-based service providers.

Relationship with partners. United has developed partnerships in many of the communities in which it operates. United recruiters work closely with social service and other non-profit agencies in about 20 U.S. communities.

United's local staff work closely with community-based organizations so they fully understand United's requirements for employment. United encourages its partners to shadow airline employees on the job to become familiar with the positions and skills necessary for success. Local staff provide input into the design of the training program, customizing it to meet United's needs and often providing the

United Airlines

Highlights of Welfare-to-Work Involvement *continued*

software United uses so program participants can learn it. Some local offices set standards for community-based programs, evaluate their success in

meeting those standards, and participate in continuous improvement processes.

Services partners provide. Partner organizations improve United's access to an expanded labor pool and provide pre-employment interviewing to identify potential candidates for employment. In addition, partners provide valuable pre-employment training on soft skills and training that is customized to meet the requirements for the positions United seeks to fill. United counts on its partners to maintain an up-to-date understanding of its needs and continuously improve their recruitment and training in response to changes in the work environment at United.

Retention and advancement. From the time they begin working for United, employees receive on-the-job and/or off-site training. United encourages employees to take the initiative to identify the training they want. Supervisors assist employees to plan their training and identify the skills that provide opportunities for advancement. As positions open, entry-level employees with sufficient training can bid on them.

Increasing welfare-to-work capacity. United Airlines is a founding member of the Welfare to Work Partnership, which Greenwald chairs. The Executive Director of the Chicagoland Business Partners is a loaned United executive.

Challenges and Promising Practices

As with many employers, United Airlines has had deep concerns about entry-level employee turnover. By expanding its mentoring program to involve all entry-level employees, it has increased retention rates.

Located at airports, United jobs are far from population centers and can be difficult to reach. United is exploring a variety of approaches to overcoming transportation limitations, including

working with public transit agencies to establish new bus routes and providing flexible scheduling to take advantage of existing public transportation.

Key Lessons

- **By expanding its mentoring program, United Airlines is improving entry-level retention rates.** Developed originally for welfare recipients, the program has been expanded to include all new entry-level employees.
- **United has attempted to develop a welfare-to-work approach that other firms can follow, including smaller firms.** Low cost, low staff-time requirements, and simplicity are the design principles for United's welfare-to-work program. For instance, mentors undertake their activities on their own time, rather than receiving pay for mentorship activities.

Contact Person

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United Parcel Service (UPS)

Business Area

The world's largest package-delivery company, with 340,000 employees, including about 290,000 in the United States and 3,000 in the U.K.

Benefits of Welfare-to-Work Involvement

CEO John Alden reports a 70 percent retention rate for welfare-to-work program participants, about 10 percent higher than for all new entry-level employees. UPS is very satisfied with employees hired through these programs. Welfare-to-work innovations have also reduced hiring and training costs, as well as the time it takes to hire. The firm also receives federal Work Opportunity Tax Credits for hiring welfare recipients.

Highlights of Welfare-to-Work Involvement

Between January 1997 and November 1998, UPS hired 21,774 welfare recipients. It typically employed these new hires in part-time jobs as package handlers and paid \$8.50 to \$9.50 per hour, with full benefits.

A decentralized organizational structure drives UPS's approach to welfare-to-work efforts. "There is no one-size-fits-all model for a successful welfare-to-work program," according to Lea Soupata, Senior Vice President for Human Resources.

UPS involves corporate staff directly in efforts to strengthen welfare-to-work as a national initiative, as well as involving local staff in specific programs. UPS is very active in the Welfare to Work Partnership, "loaning" an executive to the effort. Company staff also participate in governing the Illinois welfare-to-work initiative.

UPS corporate staff document successful and creative practices and disseminate that information to local facilities. Rather than set goals for employment of welfare recipients by local offices, corporate staff expect local managers to use welfare-to-work as one tool among many to achieve full and effective staffing.

At the local level, UPS stresses the power and necessity of collaboration with community partners, a policy UPS has pursued for over 25 years.

"As a responsible corporate citizen, UPS' goal is to have a workforce that reflects the diversity of the communities we serve," says Ken Parks, Vice President of Corporate Human Resources. "We have a continuing need to fill UPS jobs with dedicated people, and our approach has always been to partner with education, government, and non-profit organizations to locate, employ, and retain them."

Relationships with partners. UPS looks for efficient, non-bureaucratic partners that will adapt services to its needs. In Chicago, for example, UPS partners with the Grand Boulevard Federation, a community-based organization that provides welfare recipients with job-readiness training, coaching, and support services. In Atlanta, UPS works closely with Goodwill Industries, an organization that helps individuals who have disadvantages and disabilities secure employment.

UPS partners provide services that improve hiring and retention. These include screening of potential applicants and trainees, training in pre-employment life-skills and work readiness, coaching for both former welfare recipients and UPS supervisors on problem-solving, case management services, and access to further education and training.

UPS invests in its community-based training and brokering partners. The firm shares information about job openings and requisite skills. In communities where UPS is most engaged, it provides input into recruitment or training-program design, helps set outcome standards, evaluates partners according to those standards, participates in continuous improvement processes, and leads efforts to develop new programs. The firm frequently opens its facilities to job-seekers so they can experience UPS as a workplace before applying for a job.

Support of retention and advancement. UPS's investments in entry-level employees promote retention. The firm provides all new employees with a carefully designed orientation to employment, 22 days of on-the-job training, and mentoring by supervisors.

United Parcel Service (UPS)

Highlights of Welfare-to-Work Involvement *continued*

The UPS culture values promotion from within. The average employee who stays with the firm for fifteen years will hold six positions in that time. This priority, combined with continual investment in new technology and work processes, leads UPS to offer skill development opportunities to its front-line workers, especially continual upgrading of technology-related competencies. Ongoing skill development is linked to pay increases and promotions.

In an expansion of its extensive internal training, UPS is piloting courses at community colleges and holding college classes at its Philadelphia facility. UPS is also partnering with Metropolitan College (a consortium of three community colleges) to offer degree-granting programs at night, accommodating the time-critical nature of UPS business. Employees in the night-sort operation can attend “UPS University,” with the firm reimbursing them for 50 percent of the tuition. UPS has also provided \$1.5 million to upgrade classroom technology.

Making part-time work pay. In Chicago and Dallas/Fort Worth, UPS has worked with other firms to develop Employee Share, an innovative job-sharing program that is available to all part-time UPS employees at those locations. To make it easier for people to work at two part-time jobs, UPS works with smaller businesses to match work at each based on coordinated start and finish times. The program not only provides employees with more income, it also expands the breadth of work experience and skill development. UPS benefits through increased retention and loyalty. Smaller firms benefit because UPS has a much better capacity to screen of new hires than many small firms can afford. The Small Business Association and the U.S. Chamber of Commerce are interested in the job-sharing program.

Transportation assistance. When seeking new workers for a late-night shift at its facility near

Philadelphia’s international airport, UPS received help from welfare officials in Camden, New Jersey, ten miles away. Camden welfare recipients proved to be a good source of employees, eventually providing UPS with 700 workers whose retention rate was an unusually high 88 percent. Because public transportation between Camden and the facility was limited, UPS began operating buses for its new employees. Eventually, the local public bus system took the route over. Although UPS promised to subsidize the route, the 53 daily trips proved profitable. UPS has also developed a plan to help rural employees get to its Louisville facility, improving attendance and retention.

Challenges and Promising Practices

UPS entry-level jobs are characterized by particularly high turnover. In general, UPS hires welfare recipients into part-time jobs between 5:00 p.m. and 8:00 a.m., sorting and loading packages—jobs that require considerable effort and flexibility. Transportation to the facilities is limited, making the firm receptive to strategies for lowering turnover.

Effective partnerships between UPS and service-delivery organizations require significant staff time and commitment. In some situations, UPS is asked to take on too much responsibility, because it is seen as a firm with deep pockets.

UPS believes that effective programs begin with the needs of participating employers. Yet too often, businesses aren’t at the table when decisions about government-funded efforts are made. Moreover, government agencies often can’t respond effectively to employers. In its role as policy advocate, UPS is encouraging greater flexibility in federal and state policies regarding work requirements and education and training for welfare recipients. The firm wants more part-time, well-paid jobs that have full medical benefits to count as work placements; it also notes a need for flexibility related to the time it takes some welfare recipients to overcome barriers to employment and work-readiness.

United Parcel Service (UPS)

Future Trends

In the coming year, UPS expects to expand its welfare-to-work efforts and increase the number of welfare recipients it hires. Even if unemployment rises and reduces demand for new employees, UPS's strong relationships with its partners and their effectiveness as a source for entry-level employees ensure that welfare-to-work hiring will expand.

Key Lessons

- **Partnerships require two-way commitment.** UPS recognizes that if it wants quality services from community-based partners, it must inform, orient, and work closely with them over the long run.
- **Promotion from within develops employees.** UPS strongly encourages promotion from within its workforce to increase retention and career advancement.
- **Intermediaries are crucial to significant expanding welfare-to-work.** UPS believes that to reach significant scale, welfare-to-work efforts must involve many employers and service providers. These relationships need to be encouraged, strengthened, and linked by local partnerships and organizations.
- **Transportation barriers can be overcome through creative collaborations.** For large firms, creating new public transport routes to the workplace can open up new sources of qualified employees.
- **Large firms can help smaller businesses employ welfare recipients.** The Employee Share program reduces the risk and cost to small businesses of hiring welfare recipients. This helps UPS, its small firm partners, and program recipients who need more than one part-time position to make ends meet.

Contact Person

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Xerox Business Services (XBS)

Business Area

The fastest growing division of Xerox Corporation and the worldwide leader in document outsourcing, from copying and mail distribution to document creation and LAN management, with 12,000 employees.

Benefits of Welfare-to-Work Involvement

A member of the Welfare to Work Partnership, Xerox Business Services employs welfare recipients as an extension of corporate social responsibility and a good business practice. Welfare-to-work efforts have reduced hiring costs and the time involved in hiring entry-level employees. In tight labor markets, XBS has increased the quality of entry-level hires by screening and training candidates. Further, welfare-to-work retention rates of 75 to 80 percent have helped XBS maintain its industry-leading retention rate for entry-level employees, which is significantly above the 60 to 70 percent typical in its industry. Employees hired through welfare-to-work programs are also significantly more loyal to XBS than are other entry-level employees, and they are more flexible due to their pre-employment training. The efforts are also a motivating factor to employees throughout XBS, increasing their pride in the organization.

Highlights of Welfare-to-Work Involvement

Xerox Business Services employs 12,000 people in the United States, including 10,000 Account Associates stationed on-site at other firms that outsource business to XBS. Since September 1997, when XBS piloted its welfare-to-work efforts, the firm has expanded the program to all 50 of its U.S. locations and hired 188 welfare recipients. Most are employed as Account Associates at \$7 to \$8 per hour. XBS Manager of Staffing and Strategy Joe Hammill, who oversees the program, says, "We have designed our entry-level jobs to provide opportunities to learn other jobs and move to self-sufficiency. It's more than starting people at \$7 an hour. It's about meaningful, challenging work that gives people fulfillment and the opportunity for advancement."

The XBS corporate culture promotes empowerment of staff, and welfare-to-work efforts are designed to do so as well. At the corporate level, Hammill did background research, designed a framework for involvement in welfare-to-work, and circulated the framework to all local offices. The XBS approach is to create partnerships with local welfare-to-work service providers that are committed to quality, responsive to XBS as a customer, and make the relationship as simple as possible for XBS. In addition to a strong customer-service orientation, XBS seeks partners that can deliver the whole package of services XBS needs, either directly or through a network of affiliated providers. Hammill has developed a six-page assessment tool that local XBS operations can use to choose assessment, training, and support services for partners.

At the corporate level, XBS sets reasonable and measurable goals for local operations, such as employing six to eight welfare recipients per year and retaining a high proportion of them. Although there is no specific goal for advancement, local operations report on it. XBS is committed to assuring that its welfare-to-work operation is lean. Hammill is the only corporate staffer, and he has other responsibilities as well.

Using the XBS welfare-to-work framework, local managers create relationships with a variety of partners. The flexibility XBS provides to local managers allows them to customize partnerships as needed and take best advantage of state and local welfare-to-work services infrastructures, which vary considerably.

The most important service that partner organizations provide is pre-employment training on work attitudes, communication, and expectations and effective assistance in overcoming barriers, such as child-care and transportation needs. Partners also provide training in job specific skills. Further, some partners provide valuable post-employment services, especially case management services that assist people in coming to work and performing consistently by overcoming non-work problems, including dealing with the welfare bureaucracy.

Xerox Business Services (XBS)

Highlights of Welfare-to-Work Involvement *continued*

XBS provides partners with information about job openings and needed skills, as well as input on policy and program design. XBS staff participate in program activities. Work-site tours provided by XBS help match program participants with jobs. XBS also sets standards for program quality and outcomes, evaluates programs by those standards, and informally advises on improvements.

All entry-level employees at XBS receive significant retention and advancement supports. The parent company, Xerox Corporation, is one of *Working Mother* magazine's top 100 firms. Xerox provides health insurance for employees who work over 20 hours per week. Other benefits include a dependent-care fund, significant child-care resources, and flexible work schedules. Managers' pay is tied to promoting work/life balance.

XBS tries to be a learning organization. All Account Associates participate in a competency-based development system that includes self-assessment of the skills they need to advance to future assignments of their choice. XBS supports employee learning through classes, on-the-job training, computer-based training, and tuition assistance. As a result of welfare-to-work partnerships with community colleges, XBS has begun to explore relationships with them to support skill development.

Future Trends

XBS expects to employ between 200 and 250 former welfare recipients by the end of 1998. XBS will probably increase that number in 1999, but it is most interested in retention and advancement of welfare recipients already hired.

XBS is working closely with Women in Community Service to develop the Friends at Work program and related training materials

that assist the efforts of co-workers to support the transition of new entry-level employees to employment. While Friends at Work will support welfare-to-work efforts, XBS encourages its local operations to offer the program to all new entry-level employees.

Key Lessons

- ***Total quality principles ground welfare-to-work at XBS.*** The partner organizations focus on meeting XBS's needs is the most significant indicator of success because it provides the basis on which the partnership can develop.
- ***Corporate tools can simplify local managers' efforts.*** The XBS framework and assessment tool helps local managers choose partner organizations.
- ***Fitting welfare-to-work efforts to its corporate culture is important to XBS.*** An empowered, decentralized approach fits XBS; a more top-down approach would be very difficult to implement. Corporate staff are able to manage the effort overall by having local managers report on hiring, retention, and advancement.
- ***Flexibility in developing local welfare-to-work partnerships helps XBS.*** This approach responds to differences in the strengths and weaknesses of local service providers.
- ***Welfare-to-work efforts have helped improve XBS's human resources practices generally.*** The network of relationships developed through welfare-to-work efforts can be leveraged for other human resources efforts. Friends at Work and XBS's explorations of expanding its relationship with community colleges are two examples.

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